

# SENATE BILL REPORT

## SB 5254

---

As Reported by Senate Committee On:  
Higher Education, January 22, 2007  
Economic Development, Trade & Management, February 7, 2007  
Ways & Means, February 19, 2007

**Title:** An act relating to industry skill panels.

**Brief Description:** Authorizing a grant program for industry skill panels.

**Sponsors:** Senators Kilmer, Kastama, Fairley, Rockefeller, Kauffman, Marr, Hatfield, Weinstein, Keiser, Sheldon, McAuliffe, Eide, Kohl-Welles, Shin, Murray, Tom, Regala, Spanel and Kline.

**Brief History:**

**Committee Activity:** Higher Education: 1/22/07 [DP-WM].

Ways & Means: 1/25/07 [w/oRec-EDTM].

Economic Development, Trade & Management: 2/06/07, 2/07/07 [DP-WM].

Ways & Means: 2/14/07, 2/19/07 [DPS].

---

### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Kilmer, Vice Chair; Delvin, Ranking Minority Member; Berkey, Schoesler and Sheldon.

**Staff:** Aldo Melchiori (786-7439)

---

### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

**Staff:** Jack Brummel (786-7428)

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5254 be substituted therefor, and the substitute bill do pass.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Rasmussen, Roach, Rockefeller, Schoesler and Tom.

**Staff:** Tim Yowell (786-7435)

**Background:** Industry Skill Panels are regional alliances of businesses, labor, and education and training providers in key industry clusters. The panels assess skill gaps in an industry and design and implement strategies to close those gaps. The formation of panels is overseen by the Workforce Training and Education Coordinating Board. They work in conjunction with Centers of Excellence organized by the State Board for Community and Technical Colleges and have relied on funding from the federal Workforce Investment Act. Washington was the first state in the nation to create a system of such panels and serves as a mentor to other states. There are no Skill Panels in many key industry clusters.

In the spring of 2006, the Governor directed the Workforce Training and Education Coordinating Board to review Washington's workforce development system and recommend improvements. In response, The Workforce Board issued the report "Washington Works: Strengthening the Workforce for Washington's Future." The report recommended a series of steps to strengthen the connections between workforce development and economic development programs, including a recommendation that state funds be used to establish and sustain Industry Skill Panels in key economic clusters and build on existing work to leverage private investments.

**Summary of Bill (Recommended Substitute):** The Workforce Board is to allocate grants on a competitive basis to establish and support Industry Skill Panels. Workforce development councils, community and technical colleges, economic development councils, private career schools, chambers of commerce, trade associations, and apprenticeship councils may apply for grants. Applicants must provide an employer match of at least 25 percent to be eligible. Industry Skill Panels are to identify strategies and solutions addressing workforce skill needs. The Board is to establish standards that identify the expectations for Skill Panel products and services. Continued funding depends upon meeting the standards. The Board is to report results annually to the Governor and Legislature.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute):** A \$3 million appropriation is deleted. Funding is subject to amounts included in the 2007-09 omnibus operating budget appropriations act.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill (Higher Education):** PRO: Washington is leading the nation in creating and using Centers for Excellence. This bill builds upon the solid foundations already laid by industry skill panels. Industry skill panels

create forums that bring together private and public entities to solve challenges of mutual interest and benefit. They effectively harness the expertise of divergent stakeholder organizations to address industry needs.

**Persons Testifying (Higher Education):** PRO: Barbara Hins-Turner, Center for Excellence; Bob Guenther, International Brotherhood of Electrical Workers #77; Jay Pickett, Puget Sound Energy; Dave Klick, Northwest Food Processors Association; Pam Lund, Workforce Training and Education Coordinating Board; Chris Thompson, Higher Education Coordinating Board; David D'Hondt, Absher Construction; Dale Harper, Franciscan Health System.

**Staff Summary of Public Testimony on Original Bill (Economic Development, Trade & Management):** PRO: Skill panels are needed because they will help fill the workforce gap. Washington is leading efforts in the nation in skill standards. This is an accountable bill because it requires matching funds. This will empower workers to have the skills they need to compete. Skill Panels are common sense.

**Persons Testifying (Economic Development, Trade & Management):** PRO: Pam Lund, Workforce Training Board; Barbara Hins-Turner, Centralia College; Bob Guenther, International Brotherhood of Electrical Workers #77; Pat McCarty, Tacoma Power; John Loyce, Pacific Mt. Workforce Development Council; Dave Klick, NNW Food Processors Association; Dale Harper, Franciscan Health Systems; David D'Hondt, Associated General Contractors.

**Staff Summary of Public Testimony on Original Bill (Ways & Means):** PRO: Skill panels work because they are true public-private partnerships where business, labor, and educators sit down and work together to address workforce training challenges. It is important that post-secondary institutions build their curricula based upon the real-world experiences and needs of the businesses that will employ their graduates.

**Persons Testifying (Ways & Means):** PRO: Senator Kilmer, prime sponsor; Barbara Hins Turner, Centralia College; Todd Arendt, TransAlta Energy Generators; Dave Johnson, Washington Building Trades Council; Rick Slunaker, Associated General Contractors of Washington.